THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) No, Sir.

(b) Does not arise.

Identification of Backward areas for Income Tax concessions

946. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) what are the steps taken to identify the backward areas for giving income tax concessions;

(b) which are the backward areas notified for five years income tax holidays to the new industrial units;

(c) whether Government have consulted the State Government to select the backward areas; and

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Government has set up a group headed by Shri M. K. Kaw and consisting of members representing the Ministry of Industry, the Planning Ministry and Department of Revenue. The group is examining the various issues for selecting the criteria for identifying backward districts. The report of the group is expected shortly.

(c) and (d) Yes, Sir, State Governments are being consulted. Letters have been addressed to the Chief Secretaries of all the States and the officers from the Ministry of Finance are meeting the officers in the State Governments in order to identify the areas and collect data.

Regional Rural Banks in Maharashtla

947. SHRI V. HANUMANTHA RAO:
DR. SHRIKANT RAMCHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) which are the places in Maharashtra where the Regional Rural Banks and their branches are situated;

(b) which of their branches are running in profit and which are in losses;

(c) which are the branches which are likely to be marged and the ones likely to be closed; and

(d) what is Government's policy in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) There are ten Regional Rural Banks (RRBs) operating in the State of Maharashtra having a network of 591 branches. A Statement giving details of districts covered, number of branches and loss incurred by each of the ten RRBs as at the end of 31-3-93 is annexed. (*See* below) National Bank for Agriculture and Rural Development (NABARD) has reported that branch-wise figure of losses/profits is not available.

(c) and (d) Instructions have been issued by Reserve Bank of India (RBI) in December, 1993 permitting RRBs to relocate the loss making branches at places like Mandis, Taluk/district headquters, agriculture produce centres, etc. and to open extension counteres at premises of institutions for which the RRB is the principal banker. This is a continuous

process to be followed by each of the RRBs, in future.

Statement

(Rs. in lakhs)

Name of the RRB	District covered	No. of branches	Profit/loss (As on 31-3-93)
1. Marathwada Gramin Bank	Nanded, Parbhani, Bhir, Latur and Osmanabad	233	(—) 1207.50
2. Aurangabad Jalna Gramin Bank	Aurangabad & Jalna	53	(—) 63.83
3. Chandrapur Gadchiroli Gramin Bank	Chandrapur & Gacchiroli	60	(—) 211.68
4. Akola Gramin Bank	Akola	47	(—) 110.22
5. Ratnagiri Sindhudurg Gramin Bank	Ratnagiri & Sindhudurg	39	( ) 82.20
6. Solapur Gramin Bank	Solapur	35	(—) 97 20
7. Bhandara Gramin Bank	Bhandara	45	(—) 137.14
8. Yavatmal Gramin Bank	Yavatmal	27	(—) 53.72
9. Buldhana Gramin Bank	Buldhana	26	(—) 44.22
10. Thane Gramin Bank	Thane	26	(—) 12.47

Revision of interest rates on bank depsits

948. SHRI TULASIDAS MAJJI:
DR. SHRIKANT RAMA-CHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) whether there has been any revision in the interest rates on banks deposits reently;

(b) if so, what is the effect on the competition of these deposits with other saving instruments in the market; and

(c) whether any alternation has been made on the interest rate on term deposits of three years and above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Reserve Bank of India has reported that the latest revision of interest rates for term deposits with scheduled commeryial banks was made effective from September 2, 1993. The latest revision of interest rates for saving deposits was made effective from July 1, 1993. Bank deposits are one among various instruments of savings each with its own interest rate and other attendant terms and features. Because of treir ready liquidity and low risk, bank deposits are attractive as compared with other instruments of savings. Growth in deposits with banks so far is commensurate with the developments in the economy viz. the rate of growth of the economy, the inflation rate and the overall monetary expansion. As such competition has not adversely affected deposit growth.

(c) The interest rate on term deposits of 46 days to 3 years and above is 'not exceeding 10.0 per cent per annum' with effect from September 2, 1993 till date.